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DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-978]

High Pressure Steel Cylinders from the People's Republic of China: Final Results of Countervailing Duty Administrative Review; 2017

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that Beijing Tianhai Industry Co., Ltd. (BTIC), a producer/exporter of high pressure steel cylinders from the People's Republic of China (China), received countervailable subsidies during the period of review (POR), January 1, 2017 through December 31, 2017.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Mary Kolberg, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1785.

SUPPLEMENTARY INFORMATION:

Background

On August 14, 2019, Commerce published the *Preliminary Results* of the CVD administrative review in the *Federal Register*.¹ We invited interested parties to comment on the *Preliminary Results*. On September 20, 2019, we received timely filed case briefs from BTIC

¹ See *High Pressure Steel Cylinders from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review; 2017*, 84 FR 40393 (August 14, 2019) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

and the Government of China (GOC).² We received a rebuttal brief from Norris Cylinder Company (the petitioner) on September 25, 2019.³ Based on an analysis of the comments received, Commerce has made certain changes to the subsidy rate that was preliminarily determined for BTIC. The final subsidy rate is listed in the “Final Results of Administrative Review” section below.

Scope of the Order

The merchandise covered by the order is seamless steel cylinders designed for storage or transport of compressed or liquefied gas (high pressure steel cylinders). For a complete description of the scope of the order, *see* the Issues and Decision Memorandum.⁴

Analysis of Comments Received

All issues raised by the GOC, BTIC, and the petitioner are addressed in the Issues and Decision Memorandum. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>; and in the Central Records Unit, Room B8024 of the main Commerce building. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

² See BTIC’s Letter, “BTIC Administrative Case Brief: Sixth Administrative Review of the Countervailing Duty Order on High Pressure Steel Cylinders from the People’s Republic of China (C-570-978),” dated September 20, 2019; *see also* GOC’s Letter, “GOC Administrative Case Brief: Sixth Administrative Review of the Countervailing Duty Order on High Pressure Steel Cylinders from the People’s Republic of China (C-570-978),” dated September 20, 2019.

³ See Petitioner’s Letter, “High Pressure Steel Cylinders from the People’s Republic of China – Rebuttal Brief of Norris Cylinder Company,” dated September 25, 2019.

⁴ See Memorandum, “Decision Memorandum for the Final Results of 2017 Countervailing Duty Administrative Review of High Pressure Steel Cylinders from the People’s Republic of China,” dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

Methodology

We conducted this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found to be countervailable during the POR, we find that there is a subsidy, *i.e.*, a financial contribution by an authority that gives rise to a benefit to the recipient, and that the subsidy is specific.⁵ For a full description of the methodology underlying our conclusions, *see* the Issues and Decision Memorandum.

Changes Since the Preliminary Results

Based on comments submitted in the case and rebuttal briefs, we have made revisions to some of our subsidy rate calculations for BTIC. For a discussion of these issues, *see* the Issues and Decision Memorandum.

Final Results of the Review

In accordance with 19 CFR 351.221(b)(5), we determine the following net countervailable subsidy rate for BTIC, for the period January 1, 2017 through December 31, 2017:

Company	Subsidy Rate (percent <i>ad valorem</i>)
Beijing Tianhai Industry Co., Ltd. (BTIC) ⁶	28.54 percent

Disclosure

We will disclose to the parties in this proceeding the calculations performed for these final results within five days of the date of publication of this notice in the *Federal Register*.⁷

⁵ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁶ As discussed in the Issues and Decision Memorandum, Commerce has found the following companies to be cross-owned with BTIC: Tianjin Tianhai High Pressure Container Co., Ltd.; Langfang Tianhai High Pressure Container Co., Ltd.; Beijing Jingcheng Machinery Electric Holding Co., Ltd.; and Beijing Jingcheng Machinery Electric Co., Ltd.

⁷ See 19 CFR 351.224(b).

Assessment Rates

In accordance with 19 CFR 351.212(b)(2), Commerce intends to issue appropriate assessment instructions to U.S. Customs and Border Protection (CBP) 15 days after publication of these final results of review. We will instruct CBP to liquidate shipments of subject merchandise produced by and/or exported by BTIC entered, or withdrawn from warehouse, for consumption on or after January 1, 2017 through December 31, 2017, at the *ad valorem* rate listed above.

Cash Deposit Requirements

In accordance with section 751(a)(1) of the Act, we intend to instruct CBP to collect cash deposits of estimated countervailing duties in the amount shown above for BTIC, on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, Commerce will instruct CBP to continue to collect cash deposits at the most recent company-specific or all-others rate applicable to the company, as appropriate. Accordingly, the cash deposit requirements that will be applied to companies covered by this order, but not examined in this administrative review, are those established in the most recently completed segment of the proceeding for each company. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Administrative Protective Orders

This notice also serves as a reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials or conversion to judicial protective order is hereby

requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

Notification to Interested Parties

These final results are issued and published in accordance with sections 751(a)(1) and 777(i) of the Act, and 19 CFR 351.221(b)(5).

Dated: December 17, 2019.

Jeffrey I. Kessler,
Assistant Secretary
for Enforcement and Compliance.

Appendix I

List of Topics Discussed in the Issues and Decision Memorandum

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- II. Background
- III. Scope of the Order
- IV. Use of Facts Otherwise Available and Adverse Inferences
- V. Subsidies Valuation Information
- VI. Benchmarks and Discount Rates
- VII. Analysis of Programs
- VIII. Analysis of Comments
 - Comment 1: How to Use the Available Price Data to Calculate the Benchmark for Seamless Tube Steel
 - Comment 2: Whether to Recalculate the Ocean Freight Benchmark to Include BTIC's Descartes Ocean Freight Data
 - Comment 3: Whether Commerce Should Use BTIC's Consolidated Sales in Attributing Subsidies Received by Tianjin Tianhai and Langfang Tianhai
 - Comment 4: Whether Commerce Should Modify its Calculation of the Loan Benchmark
 - Comment 5: Whether Commerce Used the Appropriate Benchmark for the Calculation of Benefits under the Provision of Electricity for LTAR Program
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 - Comment 7: Whether Commerce Improperly Rejected BTIC's Customer Declarations as Untimely New Factual Information
 - Comment 8: Whether Commerce Should Change Its Determination with Regard to the Export Buyer's Credit Program
- IX. Recommendation